

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED FISCAL  
MEMORANDUM**

**HB 2808 – SB 2923**

April 30, 2012

**SUMMARY OF AMENDMENT (017495):** Adds language authorizing either party in a workers' compensation dispute to file suit in the county in which the employee resided at the time of the injury rather than the county in which the employee resides. Decreases, from \$100 to \$50, the fee for initial construction services provider registration, initial workers' compensation exemption registration, construction services provider renewal, and workers' compensation exemption renewal. Effective upon becoming law for the purposes of the Secretary of State taking necessary actions for implementation; changes to the fee structure are effective January 1, 2013.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

On April 26, 2012, a fiscal memorandum was issued estimating the fiscal impact as follows:

*Decrease State Revenue –*

*\$236,200/Employee Misclassification Education and Enforcement  
Fund/FY12-13 and Biennially Thereafter*

*\$1,105,400/Employee Misclassification Education and Enforcement  
Fund/FY13-14 and Biennially Thereafter*

*Increase State Expenditures – \$2,500/One-Time/Employee Misclassification  
Education and Enforcement Fund*

Due to incomplete information, this fiscal impact was in error. Based on additional information and analysis from the Secretary of State, the fiscal impact is:

**(CORRECTED)**

**Decrease State Revenue –**

**\$236,200/Employee Misclassification Education and  
Enforcement Fund/FY12-13 and Biennially Thereafter**

**\$1,105,400/Employee Misclassification Education and  
Enforcement Fund/FY13-14 and Biennially Thereafter**

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Assumptions applied to amendment:

- Based on information provided by the Secretary of State, under current law there will be 4,724 total \$100 fees paid in FY12-13 and 22,107 in FY13-14. These registrations are valid for a period of two years.
- A decrease in fee revenue of \$50 per registration/renewal.
- A decrease in biennially recurring state revenue of \$236,200 (4,724 x \$50) to the Employee Misclassification Education and Enforcement Fund beginning in FY12-13 and \$1,105,350 (22,107 x \$50) beginning in FY13-14.
- Due to a recurring increase in the number of registrants, there will be forgone state revenue, which cannot be quantified, resulting from new registrants who will register at a reduced fee amount.
- According to the Secretary of State, necessary modifications to the TN-BEAR computer system can be accommodated within the office's existing vendor maintenance contract without any additional appropriation or reduced reversion.
- According to the Department of Labor and Workforce Development, there will be no fiscal impact on the Department.
- Disputes are first handled by the benefit review conference process provided by the Division of Workers' Compensation. Parties may file civil action in circuit or chancery court. A not significant impact from a shift of cases from one county to another.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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